



United States
Department of
Agriculture

Rural Development
Rural Business -
Cooperative Programs
Rural Housing Programs
Rural Utilities Programs

VA AN No. 417 (1780)

1606 Santa Rosa Road
Culpeper Building, Suite 238
Richmond, Virginia 23229-5014
Phone: 804-287-1601
Fax: 804-287-1780
TDD: 804-287-1753

May 15, 2003

SUBJECT: Rural Development Grant Assistance - Water and Sewer Projects
Average Monthly Residential Usage and Charges

TO: Rural Development Managers
Rural Development, Virginia

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to establish a minimum average residential monthly charge for water and/or sewer projects partially financed with grant funds. With the increasing costs of projects throughout the State, it has become necessary to establish a minimum rate for service per residential unit before grant assistance will be considered. The minimum rate was determined based on typical projects financed over the past two years and in consultation with our State financing partners.

COMPARISON WITH PREVIOUS AN:

There are no previous ANs on this subject.

IMPLEMENTATION RESPONSIBILITIES:

The demand for potable water and sanitary sewer facilities has grown over the past several years. In addition, project and operation and maintenance costs have risen significantly, which has resulted in an increase in the cost of purchasing water and/or sewerage treatment. This increase in costs is reflected in projects that have been funded, as well as the new project proposals, across the State of Virginia.

EXPIRATION DATE: May 31, 2004

FILING INSTRUCTIONS: File
preceding RD Instruction 1780

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In an effort to best serve the needs of so many rural communities and to efficiently manage funding resources, our Agency has reviewed and discussed several options with our funding partners to help address this matter. The most viable approach to maximizing our limited resources is to impose a minimum rate that all communities will use as a starting basis before grant consideration is given to the specific project.

Prior to Rural Development considering grant funds, the average residents' monthly bill must be in line with the following:

1. Average monthly water usage below 3,700 gallons - **\$25.00** minimum
2. Average monthly water usage above 3,700 gallons - **\$27.00** minimum
3. Sewerage (regardless of usage) - **\$30.00** minimum

If you should have any questions, please contact the Community Programs Division.

/s/ Philip H. Stetson

JOSEPH W. NEWBILL
State Director
USDA, Rural Development